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**City of Fresno - Proposed Water Rate Increases**  
**Fact Sheet**

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*Opponents of the 2013 water rate program have made a number of erroneous claims. This Fact Sheet will provide accurate information about the program.*

**Claim #1: “Water rates will triple.”**

**Fact:** On average, water rates are expected to go from \$24.49 per month to \$48.34 per month over the next four years. However, that increase is offset by other portions of the City’s utilities either decreasing their charges or leaving them the same over the next four years. **Overall, the average water user will see their City utility bill increase by about 29% over the next four years.** Customers do have the ability to reduce their monthly water bills by conserving water. With the City’s water meter system now in place, customers only pay for what they use.

**Claim #2: “The projects in the current capital program were contemplated for the last rate increase, and the City spent the money on other things.”**

**Fact:** The money raised from the previous water rate increase from 5 years ago was spent on precisely the projects that were intended, including pipeline replacements, construction of storage tanks, construction of replacement water wells, the meter retrofit project and new water supply lines. For example, included in the last rate plan was \$14.2 million to begin the Surface Water Treatment Facility. Those funds provided for buying the land to build the plant, conducting the environmental assessment of the site, and designing the new plant. The money in the 2013 rate plan will allow the City to construct the plant that has been in the works for 27 years now.

**Claim #3: “The water supply for the new Surface Water Treatment Facility may or may not come in, and the plant will operate at only 25% capacity.”**

**Fact:** The City will use water from the Kings River for the new Surface Water Treatment Facility, a supply that is firm, reliable, and adequate to operate the Facility at full capacity.

**Claim #4: “The City allocated \$14 million from the Water Fund to the General Fund.”**

**Fact:** This is inaccurate. The City’s General Fund borrowed \$9 m from a lawsuit settlement fund in 2013 to avoid bankruptcy and ensure the City could maintain adequate services for police, fire, and other general city services. The lawsuit settlement was paid by petroleum companies and other defendants who are responsible for cleaning up groundwater contamination in the City of Fresno. The funds from the lawsuit settlement are to be used over the next 30 to 50 years for environmental cleanup. The City’s General Fund will pay back the \$9 million plus interest within the next 3 years or sooner so that the environmental cleanup can be done as required by the lawsuit settlement. No ratepayer funds are involved whatsoever in the loan to the General Fund, and the loan from the settlement has no impact on customer rates. Nor could the funds from the lawsuit settlement be used to cover any of the expenses paid for by the ratepayers.

**Claim #5: “The new Surface Water Treatment Facility is a want, not a need.”**

**Fact:** The new Facility and all of the projects in the capital programs are needed. They represent the minimum investments necessary to ensure Fresno’s safe, clean, and reliable water supply. In addition to the new Surface Water Treatment Facility, the capital program includes new transmission pipelines, replacement of aging pipelines, construction of storage tanks, and establishment of additional recharge facilities.

**Claim #6: “The new Surface Water Treatment Facility is for future growth.”**

**Fact:** The new Facility is 100% dedicated to supplying water to existing neighborhoods and businesses. Its full capacity is needed to meet current needs. Past development fees have been collected and are part of the funds collected so far to pay for the new Facility and other projects. Future development must pay its own way for additional infrastructure to supply any future growth.

**Claim #7: “The Mayor wants to raise this additional \$410 million for power, to allow her to dip into that much more money to fund other things.”**

**Fact:** The money raised from the water rate increases is being used exclusively to pay for the much-needed capital projects that will ensure a safe, clean, and reliable water supply. The use of the funds is strictly regulated by Proposition 218 and cannot be “dipped into” to pay for other things. The funds can only be used to pay for the delivery of water services and the infrastructure needed to support the water system.

**Claim #8: “The City is just trying to scare people with statements about having to boil their water, not being able to take showers, etc.”**

**Fact:** The consequences of failing to invest in our water infrastructure are known and real. If we fail to build the new Surface Water Treatment Facility and other needed projects, the resulting impacts of regulations and sanctions will include a requirement that we deliver “Do Not Consume” notices to customers. We would be remiss if we did not make citizens aware of that consequence so that they can make informed decisions. These “Do Not Consume” notices are not City of Fresno decisions, but rather are mandates from State and Federal regulations.

**Claim #9: “The City wants to put the whole town on ditch water.”**

**Fact:** All available surface water supplies currently travel to the City via a canal system. It has been that way for nearly 150 years. Our Sierra supply is some of the highest quality water in the nation. In fact, the quality of the surface water the city will be able to deliver to its customers from the new Southeast Water Treatment Facility will be higher than our current groundwater.

**Claim #10: “The City won’t let the people vote on rate increases.”**

**Fact:** The City has already conducted an election through the state-required Proposition 218 process. On June 28, 2019, the City mailed 133,303 ballots to all of its water customers. Customers had over 45 days to return their ballots in opposition to the rate increases. If the majority of the City’s customers had returned their ballots opposing the increases, the City would not be allowed to increase the rates. Of the 133,303 customers who had the opportunity to vote on the rate increases, only 495 ballots were returned opposing the increases – far short than the needed majority. The City followed the process the state allows for residents to vote on their utility rate increases. The opponents of the water rate increases want to ask the people to vote again in a general election, but state law indicates that an initiative is illegal if it deprives a public entity of the ability to supply an essential public service, like providing a safe and adequate water supply.